

DECLARATION OF BRUCE GOLDSTEIN

Pursuant to 28 U.S.C. § 1746, the undersigned states as follows:

1. My name is Bruce Goldstein. I am over twenty-one years of age and have personal knowledge of the matters set forth in this declaration.

2. I began working for Southport Capital, an SEC registered investment adviser, in December 2018. I had worked as an investment adviser for several years prior to joining Southport, and had previously spent more than fifteen years working in the securities and investment banking industry in various capacities. In addition to holding various securities licenses, I was previously a licensed Certified Public Accountant and Certified Fraud Examiner. Through my experience in the industry I am familiar with various SEC rules and regulations that apply to investment advisers.

3. While I was employed at Southport, I worked out of the branch office in Atlanta, which is located at 3621 Vinings Slope SE, Suite 4450, Atlanta, GA 30339. I was routinely present at that office during my time at Southport, and the majority of the events described in this declaration took place while I was physically in the office. I am familiar with John Woods's signature from my time working at Southport.

4. In 2019, I overheard conversations from my desk referring to "Horizon Private Equity" and became suspicious that John Woods and other Southport employees were soliciting investments for an undisclosed fund with which they were affiliated. Further, in 2020, I observed Southport employees Julie Jones and Ryan Arasi creating, printing, and copying investor statements for an investment named "Horizon Private Equity" ("Horizon"). These

statements were unlike any private equity investment statement I have seen during my career. I also observed these employees shredding documents related to Horizon Private Equity on a regular basis, which seemed different than Southport's normal record-keeping practices.

5. My observations made me suspicious, because I knew that fund managers were required to file documents with the SEC, and when I checked the SEC website, I could not find any disclosures relating to Horizon Private Equity, Horizon Private Equity II or Horizon Private Equity III, as I would have expected. Further, I could find no public website for any Horizon fund related to Southport.

6. Julie Jones is a financial para-professional at Southport. She assists Southport investment advisers with their work. When I asked Ms. Jones to explain what Horizon was, she told me that I would need to ask John Woods. I subsequently overheard Ms. Jones speaking to someone in a hushed tone, informing whoever was on the call that I was asking about Horizon. She then asked the other person what I should be told. This increased my suspicions.

7. I never recommended that any of my clients invest in Horizon, and I did not overhear or observe any pitches of the Horizon investment to Southport clients. I did, however, check Southport's Form ADV, filed with the Securities & Exchange Commission, and could not locate any disclosure of Southport's affiliation with Horizon. I did observe that some Southport advisors had previously disclosed as an "outside business activity" serving as third party solicitors for Horizon Private Equity. I also looked on the internet for other publicly available information about Horizon, such as corporate filings and SEC filings. After reviewing these materials, I became very concerned that something inappropriate was happening at Southport.

8. I also reviewed documents in the office related to Horizon Private Equity that appeared to be in a box to be shredded or otherwise were sitting out on a work area. A review of these documents confirmed that other advisers' Southport customers were investing in Horizon Private Equity and that Southport's advisers were raising substantial investor money on a regular basis through 2020.

9. In light of the fact that Southport employees were regularly shredding documents related to Horizon Private Equity, I decided to make copies of documents I found in the office related to Horizon Private Equity. True and correct copies of many of those documents are attached as exhibits to this declaration as indicated below, with the exception that my counsel added Bates labels to each document beginning with the prefix "HPE," for identification.

10. I voluntarily resigned from Southport because of my suspicions that Southport and its principals were engaged in wrongdoing related to Horizon Private Equity on January 29, 2021.

11. Attached as Exhibit A is a spreadsheet titled "Horizon Private Equity," which shows a history of investments in Horizon as of March 2020. Exhibit A has Bates label HPE000028-68. I personally obtained a copy of this document from the Atlanta Southport branch office. Some of the investments shown on Exhibit A are dated as early as 2008, and many of them are shown as being held in individual retirement accounts (IRAs). From this spreadsheet, and the account statements I copied (which show millions of dollars' worth of additional investments from April-November 2020), it appears that Horizon raised at least \$100,000,000 from investors.

12. Attached as Exhibits B and C are examples of the investor statements that I saw being created, printed, and copied by Ryan Arasi, a Southport employee who sat at the desk next to me in the Southport office. I personally obtained copies of these documents (and many other client statements) from the Atlanta Southport branch office. Exhibit B has a Bates label beginning at HPE 000622. Exhibit C has a Bates label beginning at HPE 000160.

13. Attached as Exhibit D is an amended “Subscription Agreement” dated February 24, 2020 between Horizon and an Investor. I personally obtained a copy of this document from the Atlanta Southport branch office. Exhibit D is signed by John Woods on behalf of Horizon. Exhibit D has a Bates label beginning at HPE000836.

14. Attached as Exhibit E and Exhibit F are IRS Forms 1099-INT showing interest paid to Horizon investors for the year 2019. Exhibit E has a Bates label beginning at HPE000824, and Exhibit F has a Bates label beginning at HPE000733. I personally obtained copies of these documents from the Atlanta Southport branch office.

15. Attached as Exhibit G is a letter to Provident Trust dated March 14, 2019, signed by John Woods as “President,” on Horizon letterhead. The letter relates to a purported overpayment of interest to a Horizon investor. I personally obtained a copy of this document from the Atlanta Southport branch office. Exhibit G has a Bates label beginning at HPE000842.

16. Attached as Exhibit H is a 2018 City of Roswell Occupation Tax Certificate for Horizon. I personally obtained a copy of this document from the Atlanta Southport branch office. Exhibit H has a Bates label beginning at HPE000843.

17. Attached as Exhibit I is an unsecured promissory note between Horizon and Iberiabank dated December 14, 2015. I personally obtained a copy of this document from the Atlanta Southport branch office. The promissory note is signed by John Woods on behalf of Horizon as a "member." Exhibit I has a Bates label beginning at HPE000854.

18. Attached as Exhibit J is an email chain between John Woods and Kathleen Lloyd related to a spreadsheet showing interest payments to Horizon investors. I personally obtained a printout of these emails from the Atlanta Southport branch office. Exhibit J has a Bates label beginning at HPE000862.



BRUCE GOLDSTEIN

I declare under penalty of perjury that the foregoing is true and correct.
Executed on this 30th day of July, 2021.